COURT NO.2

IN THE HIGH COURT OF UTTARANCHAL AT NAINITAL

Income Tax Appeal No. 390 of 2001
(Old No. 157 of 1999)

1. The Commissioner of Income Tax, Meerut.
2. Income Tax Officer, Special Ward-I, Dehradun

.....Appellants

Versus

Atwood Oceanics International, S.A.
Of Mr. R. Lafrane

..... Respondent

Dated: December 13, 2005

Mr. S.K. Posti, Advocate for the appellants.

Coram: Hon. P.C. Verma, J.
Hon. J.C.S. Rawat, J.

This appeal is against the order-dated 06.11.1998, passed by the Income Tax Appellate Tribunal, (Delhi Bench 'A' New Delhi) in ITA No.5848(Del) of 1990. The dispute relates to the Assessment Year 1983-84.

2. The substantial questions of law raised in the appeal are as follows:

> "*Whether the learned Income Tax Appellate Tribunal was legally correct to treat the continental shelf to the Exclusive Economic Zone as not forming part of India prior to 01.04.1983 for the purposes of Income Tax Act, 1961?*
>
> *"Whether the Ld. Appellate Tribunal was justified in holding that the salary income earned by the respondent employee for services rendered prior to 01.04.1983 in a rig located in the offshore areas outside the territorial waters of India, was not chargeable to tax under the Income Tax Act, 1961 for the assessment 1983-84?*"

3. The aforementioned questions were considered by a Division Bench of this Court in the case of *Commissioner of Income Tax and another Vs. Atwood Oceanics International S.A.,* which was reported in Income Tax Reports, Vol.264 {2003} Page 761.

4. For the reasons given in the above judgment, we answer both the questions in the affirmative that is in favour of the assessee and against the Department.

5. The appeal is disposed of accordingly. No order as to costs.

(J.C.S. Rawat, J.) **(P.C. Verma, J.)**

Rajeev Dang